

April 1, 2015

Distinguished Senators,

I am a proud American that has been living in Canada for close to 8 years. Prior to that, I served my country for two years as a Peace Corps Volunteer in the Republic of Kiribati ('03-'05).

As the mother of two American-Canadians, a two-year old and a three-month old, the current taxation system has me worried. I chose to leave the U.S. and become a Canadian. And with that, I have burdened my children with onerous tax requirements (and potentially tax payments) for a country they might never live in. A country that is not theirs except for the fact that I am their mother. Imagine paying money to a government that is not yours, that has done nothing for you; and if you don't file properly every year for your entire life, that government could come and take half of your retirement savings away. Even writing it, it sounds absurd.

I cannot benefit from a Registered Education Savings Program (RESP) account for my kids because the U.S. will tax it. I cannot save for my own retirement in a Tax-Free Savings Account (TFSA) because the U.S. considers it some kind of trust and will tax it. I have to disclose every dollar in every bank account we own on a yearly basis like I'm some kind of criminal that can't be trusted. I would love to see how the American public would respond if *they* were required to divulge their account balances to the government; or worse, to find out the government is getting reports on them from their bank.

So, for many, many reasons, I am writing to request that your International Tax group take a serious look at changing our system of taxation from citizenship-based to residency-based. I believe the American Citizens Abroad (ACA) submitted a proposal document outlining some possible changes (Residence-Based Taxation: A Necessary and Urgent Reform, March 2013 is available at: <https://americansabroad.org/files/6513/6370/3681/finalsubrbtmarch2013.pdf>)

Sincerely Yours,
Sarah (Lyons) Vout